

## Message Text

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ACTION EB-07

INFO OCT-01 ISO-00 IO-13 AF-10 ARA-06 EA-07 EUR-12  
NEA-10 FEA-01 AGRE-00 CEA-01 CIAE-00 COME-00  
DODE-00 FRB-03 H-01 INR-07 INT-05 L-03 LAB-04  
NSAE-00 NSC-05 PA-01 EPG-02 AID-05 SS-15 STR-04  
ITC-01 TRSE-00 PRS-01 SP-02 OMB-01 NSCE-00 SSO-00  
USIE-00 INRE-00 /128 W

-----262006Z 062255 /64

O R 261800Z MAY 77

FM USMISSION GENEVA

TO SECSTATE WASHDC IMMEDIATE 7708

INFO ALL EC CAPTIALS

AMEMBASSY ABIDJAN

AMEMBASSY ANTANARIVO

AMEMBASSY ASUNCION

AMEMBASSY BANGKOK

AMEMBASSY BERN

AMEMBASSY BOGOTA

AMEMBASSY BRASILIA

AMEMBASSY BRIDGETOWN

AMEMBASSY BUENOS AIRES

AMEMBASSY CANBERRA

AMEMBASSY CARACAS

AMEMBASSY DACCA

AMEMBASSY GEORGETOWN

AMEMBASSY GUATEMALA

AMEMBASSY HELSINKI

AMEMBASSY KHARTOUM

AMEMBASSY KINGSTON

AMEMBASSY KINSHASA

AMEMBASSY LA PAZ

AMEMBASSY LILONGWE

AMEMBASSY LIMA

AMEMBASSY LISBON

AMEMBASSY MADRID

AMEMBASSY MANAGUA

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AMEMBASSY MANILA

AMEMBASSY MAPUTO

AMEMBASSY MBABANE

AMEMBASSY MEXICO

AMEMBASSY MOGADISCIO

AMEMBASSY MONTEVIDEO

AMEMBASSY MOSCOW

AMEMBASSY NEW DELHI  
AMEMBASSY OTTAWA  
AMEMBASSY PANAMA  
AMEMBASSY PORT LOUIS  
AMEMBASSY PORT OF SPAIN  
AMEMBASSY PRETORIA  
AMEMBASSY QUITO  
AMEMBASSY RABAT  
AMEMBASSY SAN JOSE  
AMEMBASSY SAN SALVADOR  
AMEMBASSY SANTIAGO  
AMEMBASSY SEOUL  
AMEMBASSY SOFIA  
AMEMBASSY STOCKHOLM  
AMEMBASSY SUVA  
AMEMBASSY TAIPEI  
AMEMBASSY TEGUCIGALPA  
AMEMBASSY TEL AVIV  
AMEMBASSY TOKYO  
AMEMBASSY VIENNA  
AMEMBASSY WELLINGTON  
AMCONSUL BELIZE  
AMCONSUL CALI  
AMCONSUL CAPTETOWN  
AMCONSUL DURBAN  
AMCONSUL GUAYAQUIL  
AMCONSUL RIO DE JANEIRO  
AMCONSUL SAO PAULO  
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USMISSION USUN NEW YORK

C O N F I D E N T I A L GENEVA 4164

OECD PARIS FOR COOPER

E.O. 11652: GDSA

TAGS: UNCTAD ETRD

SUBJECT: SUGAR NEGOTIATIONS: DEADLOCKED

1. SUGAR NEGOTIATIONS HAVE BECOME HOPELESSLY DEADLOCKED. MAJOR STUMBLING BLOCK IS UNWILLINGNESS EXPORTERS ACCEPT MORE THAN TOKEN STOCKS. WHILE EXPORTERS HAVE INDIVIDUALLY STATED THAT THEIR WILLINGNESS TO CARRY LARGER STOCKS IS LINKED TO FINANCING, THEY IN FACT HAVE BEEN UNWILLING TO ADDRESS FINANCING ISSUE. REAL OBSTACLE IS EVIDENTLY FEAR OF SOTCKS AS PRICE DEPRESSANT. TACTICALLY, HOWEVER, THEY AIM PRINCIPAL ARGUMENS AT COSTS CONTENDING FINANCING SHOULD BE CONTRIBUTED WHOLLY BY IMPORTERS AND PROVIDED ON HIGHLY CONCESSIONAL OR GRANT BASIS. JAPANESE, AND TO LESSER EXTENT, CANADA, HAVE ALSO SHOWN

UNWILLINGNESS TO CONTEMPLATE FINANCING, AF FACT WHICH HAS EARNED THEM PARTICULAR CRITICISM, US IS GIVEN CREDIT FOR HAVING OFFERED FINANCING BUT AMOUNT OF FINANCING SUGGESTED IS CONSIDERED INADEQUATE AND LEVE OF STOCKS PROPOSED BY US IS REGARDED AS EXCESSIVE.

2. AFTER SEVERAL DAYS OF INTENSIVE CONSULTATIONS AMONG US, AUSTRALIA, BRAZIL, CANADA AND JAPAN, IT APPEARED THAT CONSIDERABLE PROGRESS HAD BEEN MADE AND WE WERE MOEDESTLY OPTIMISTIC AN AGREEMENT MIGHT YET BE POSSIBLE. UNDERSTANDING REACHED AMONG FIVE ON ALL ISSUES EXCEPT STOCKS AND WE EXPECTED CLOSE THAT GAP THIS MORNING. OVERNIGHT, HOWEVER, BRAZIL HAD A CHANGE OF HEART BASED ON DISCUSSIONS WITH OTHER PRODUCERS. RESULT WAS SERIOUS RETROGRESSION AND PACKAGE FELL APART.

3. IT IS EXPECTED THAT FINAL PLENARY FRIDAY WILL CONFIRM COLLAPSE OF CONFERENCE. QUESTION THEN WILL BE WHETHER TO RECONVENE CONFERENCE IN SEPTEMBER, WITH POSSIBLE INTERSESSIONAL MEETING IN JULY ON STOCKS AND THEIR FINANCING RO TO LEAVE FUTURE UNDECIDED.

4 ADDRESSEES SHOULD NOT THAT IN PUBLIC COMMENT WE ARE TAKING POSITION THAT FAILURE OF CONFERENCE NOT REPEAT NOT DUE TO STOCKS  
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ISSUE ALONE, BUT TO FAILURE AGREE UPON PRICE SUPPORT MECHANISM AS A WHOLE.SORENSEN

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01-Jan-1994 12:00:00 am  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** SUGAR, NEGOTIATIONS, TRADE AGREEMENTS, MEETING REPORTS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Sent Date:** 26-May-1977 12:00:00 am  
**Decaption Date:** 01-Jan-1960 12:00:00 am  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 22 May 2009  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1977GENEVA04164  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** GS  
**Errors:** N/A  
**Expiration:**  
**Film Number:** D770188-1037  
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**Legacy Key:** link1977/newtext/t19770515/aaaaanbe.tel  
**Line Count:** 141  
**Litigation Code IDs:**  
**Litigation Codes:**  
**Litigation History:**  
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**Message ID:** ae773289-c288-dd11-92da-001cc4696bcc  
**Office:** ACTION EB  
**Original Classification:** CONFIDENTIAL  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 3  
**Previous Channel Indicators:** n/a  
**Previous Classification:** CONFIDENTIAL  
**Previous Handling Restrictions:** n/a  
**Reference:** n/a  
**Retention:** 0  
**Review Action:** RELEASED, APPROVED  
**Review Content Flags:**  
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**Review Exemptions:** n/a  
**Review Media Identifier:**  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**SAS ID:** 2359894  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** SUGAR NEGOTIATIONS: DEADLOCKED  
**TAGS:** ETRD, UNCTAD  
**To:** STATE  
**Type:** TE  
**vdkgvwkey:** odbc://SAS/SAS.dbo.SAS\_Docs/ae773289-c288-dd11-92da-001cc4696bcc  
**Review Markings:**  
Margaret P. Grafeld  
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US Department of State  
EO Systematic Review  
22 May 2009  
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